



# MI-1040 Report

Michigan Chapter-NATP National Association of Tax Professionals

www.minatp.org

OCTOBER 2016



## From the Education Desk...

Glen Mitchell, EA  
Vice President



### TAX SEASON IS RAPIDLY APPROACHING: ARE YOU READY?

Michigan tax is being covered with Purely Michigan Tax seminar locations near you. The 3 hour class goes over the changes, updates & reminders on Michigan and city taxes. This year the last portion of the class is optional and covers Michigan Unemployment and Sales, Use, & Withholding issues. We put that at the end of the class so those that do not deal in those areas are welcome to leave. Topics include tracking city of Detroit income tax refunds and related matters.

The Purely Michigan Tax classes are the most complete classes offered on Michigan tax topics. Please note that some Purely Michigan classes are from six to nine PM, but we also have daytime classes. In Lansing on the last offered Purely Michigan Tax class, December 8, we also scheduled a Last Chance Ethics class. This ethics class is intended to provide the 2 continuing education credits needed for enrolled agents just before the end of the year.

**All tax professionals should mark Friday January 6, 2017 for our Last Chance tax seminar** at the Crowne Plaza Lansing West. This is THE CLASS to get the best and latest information before you start doing tax returns. This year EVERYONE GETS a copy of the *THETAXBOOK™ DELUXE EDITION*, which will be used as the primary material for the class. This is an excellent source of answers for your tax related questions and should become the best resource you can have in your office. Topics covered will be the most recent laws & changes. Other topics include Affordable Care Act, rules of 1099s, new penalties for 1099s, as well as time spent on what is in *TheTaxBook™* and how to find what you are looking for.

For your beginning tax professional or office support staff, there will also be a Basic Tax Review & Office Procedure class running concurrently on January 6, 2017.

We have always tried to make sure we give you not only great education but also a great value. This year Last Chance Seminar attendees (not Basic Tax or Office Procedures) will receive a copy of the *TheTaxBook™* Deluxe Edition for 2016 tax year, a value of over \$83, lunch and THE BEST EDUCATION AVAILABLE. Plus it is a great way to get your staff started in the new tax season with our Basic Class.

Be sure to take advantage of special MI-NATP pricing on additional reference books **for everyone** in your office. Orders are due by November 16; use the order forms from the chapter website.

Hope to see all of you there at our Purely Michigan Tax Seminars and our Last Chance Tax Seminar in January.

Glen Mitchell EA, Vice President MI Chapter NATP

### YOUR 2016-17 BOARD OF DIRECTORS

**President:** Anna Mayer, Region 3

**Vice President:** Glen Mitchell

**At-Large**

**Secretary:** Duane Stoker, Region 5

**Treasurer:** Vickie Black, At-Large

**Sylvia Collins, At-Large**

**Jerry Coon, Region 2**

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### COMMITTEE CHAIRS

**Awards:** Jerry Coon

**Certificates:** Roger Voss

**Charity:** Duane Stoker

**Education:** Glen Mitchell

**Facilities:** Leslie Echols

**Financial Review:** Sylvia Collins

**Government:** Marilyn Meredith

**Newsletter:** Byron Kuxhaus

**Nominations:** Sherry Nelson

**Publicity:** Duane Stoker

**Reference Books:** Sherry Nelson

**Registration:** Susan Cullen

**Website:** Susan Cullen

**PRESIDENT'S MESSAGE**

- The Department of Labor new overtime rules are effective December 1, 2016, applying to employees making less than \$47,476.
- The tax on arrow shafts sold in 2017 is 50 cents per shaft. (IRC Sec. 4161).
- The base shared responsibility payment for 2017 will be \$695.00 or 2.5% of AGI.
- Michigan Treasury's re-designed web page has links to Treasury Reports, Revenue Administrative

**Where did 2016 go?** The election will soon be behind us, Daylight Savings Time will kick in, Thanksgiving, shopping and Christmas will fly by and then one of my favorite times of the year begins – Tax Season, though truthfully it never really ends.

Did you know that NATP has a lower cost E-Membership option? This is available for others in your office when you have a full membership; also available are International and Academic Membership Options.

The benefits available to members of NATP vary from reduced prices on education to vendor discounts. Probably the most significant benefit of membership is that you can make a quick call to the Tax Research department and get help with a tax question; it's like having a team of tax experts on speed dial.

When you are a member of NATP and live in Michigan, you are automatically a member of the Michigan Chapter of NATP. The Michigan Chapter education events provide quality education and the opportunity to network and connect with other preparers in the state.

We are in the middle of our series of Purely Michigan classes to provide you with updates and changes on Michigan and city taxes. In January, just as we move into tax season, you'll have the opportunity to attend the Michigan Last Chance Seminar to bring you up to date with changes that will impact tax filers that you work with.

Registration for these seminars can be made via [www.natptax.com](http://www.natptax.com) or by calling National NATP at 800-558-3402 (press 3 when prompted).

Information on online transcripts and FAFSA was in our July, 2016 newsletter available on line.

Anna Mayer, EA, AFSP, CSA

### REGISTRATION FOR YOUR SEMINARS

1. GO TO NATPTAX.COM
2. CLICK ON CHAPTERS
3. CLICK ON MICHIGAN
4. SELECT THE EDUCATION TAB
5. SCROLL DOWN THE LIST TO SELECT YOUR CLASS/ SEMINAR
6. COMPLETE REGISTRATION INFORMATION
7. PAY
8. RECEIVE EMAIL CONFIRMATION
9. PRINT CONFIRMATION AND BRING WITH YOU TO THE SEMINAR.

### Newsletter

### Committee

Kathy Bozman  
Susan Cullen  
Jon Garlick  
Ruth Green  
Byron Kuxhaus  
Anna Mayer  
Matt McKevez  
Brian Meredith  
Marilyn Meredith  
Glen Mitchell  
Jill Schneider  
Ray Wojciechowski

[WWW.MINATP.ORG](http://WWW.MINATP.ORG)

### MEMBER PROFILE: SUSAN CULLEN

Since 1989, Susan Cullen has been doing taxes. She joined NATP in 2006. Since then, she has been an active member on several committees (education and newsletter) and was elected to the Board of Directors in 2008.

She has also been active as an instructor for the Purely Michigan Seminars and break out sessions at our annual Convention. Recently she completed the IRS EA exam.

Her practice is primarily individual and small business. Her office is in Clinton Township.

The best part of NATP, Susan says, is the feedback from members and opportunities to obtain more knowledge to better serve her clients.

## IDENTITY THEFT AND THE TAX PRACTITIONER

Most of us have had dealings with identity theft through our clients, but how many of you are aware that tax practitioners are a target for identity thefts. At the NATP National Conference in Indianapolis in August I attended a presentation on Identity Theft and the Tax Practitioner. Larry Gray and two representatives from the IRS presented the growing problem facing tax practitioners. Larry is NATP's liaison on the IRS Commissioner's Identity Theft Security Summit and had firsthand knowledge of the cyber security threats facing the tax preparer community.

Their presentation focused on cyber security and how a cyber-breach can impact across every aspect of your business, involving operational, reputational, and financial damage, in addition to regulatory penalties. Opportunities for identity theft are all over your office: cloud storage, Wi-Fi security, Client's QuickBooks, Working from Home, Accounting Software, Malware, Back-up Drives, Phishing Emails, Tax Software, Employees, Janitors, and Client's Payroll Software. The Deep Web is where your stolen information is most valuable. The Deep Web is the portion of the World Wide Web that contains websites never imagined or viewed by most web users. The Gramm-Leach-Bliley (GLB) Act requires companies defined under the law as "financial institutions" to ensure the security and confidentiality of private information (names, address, phone numbers, bank and credit card account numbers, income and credit histories and Social Security Numbers). Tax offices are "financial institutions" under GLB.

Larry Gray also advised it would be a good idea to add a Cyber Insurance Rider to your errors/omission policy. His recommendation was a \$1,000,000.00 Cyber Insurance Rider. I will share with you one incident the IRS has been working on which occurred in 2013. A hacker stole data from a Fairfield County, Connecticut accounting firm in a breach that may have impacted as many as 900 customers. The CPA firm worked closely with the U.S. Secret Service, the Internal Revenue Service and the IRS's Criminal Investigation unit to bring a resolution. The suspect was not a current or former employee, nor a current or former client. The CPA firm has spent over \$250,000 in resolving this matter and this will continue on for some time and it is expected it may end up being over \$400 billion. A breach of this sort could take up to 7 to 8 months before realizing there has been a breach. This particular firm did not realize there was a breach until they started filing the tax returns for their clients and they were getting rejection after rejection.

**BE CAREFUL AND DON'T BE SCAMMED! WATCH OUT FOR MALWARE, TROJANS, RANSOMWARE, PHISHING EMAILS, SPOOFING EMAILS AND SKIMMING. THESE ARE ONLY A FEW OF THE WAYS THAT IDENTITY THIEVES ARE GETTING INFORMATION.**

Provided by Member Jill Schneider

### PTIN Renewal and Annual Filing Season Program

**Don't wait until the last minute!!! Preparers can renew their PTIN's now on the IRS web site. IRS lowered the fee to \$50.00.**

**The IRS voluntary Annual Filing Season Program (AFSP) is again underway. Non-credentialed preparers are eligible for a Record of Completion if they complete the tax refresher course and successfully complete the exam. IRS Rev Proc 2014-42 sets forth all the requirements. RTRPs are not required to complete the exam, but must have the continuing education credits. NATP members can take a free AFSP course.**

**NATP members can complete the AFSP refresher course on line for FREE. Without AFSP Record of Completion, non-credentialed preparers will not be able to represent a client on any tax matter (such as requesting transcripts, resolving CP2000 issues, etc). IRS has an on line directory of "registered" tax professionals: EAs CPAs, AFSP certificate holders and certain others.**

[www.minatp.org](http://www.minatp.org)

# YOUR UPCOMING SAVE THE DATES\* AND SEMINARS

October 31, 2016	Purely Michigan Tax	Livonia (Detroit Marriott Livonia)**
November 2, 2016	Purely Michigan Tax	Holiday Inn Airport, Grand Rapids**
November 10, 2016	Purely Michigan Tax	Concorde Inn Clinton Township (1-3 pm)
November 17, 2016	Purely Michigan Tax	Double Tree by Hilton, Novi (9:30 am-12:30 pm)
December 7, 2016	Purely Michigan Tax	Treetops Resort, Gaylord, MI (9:30 am-12:30 pm)
December 8, 2016	Ethics (Last Chance)	Lansing Community College West (9:30-11:30 am)
December 8, 2016	Purely Michigan Tax	Lansing Community College West (1-4 PM)
January 6, 2017	Last Chance Seminar/Update*	Lansing-Crown Plaza Lansing West
January 6, 2017	Basic Tax/Office Procedures*	Lansing-Crown Plaza Lansing West
May 18-19 2017	Michigan Chapter Convention*	Battle Creek (Firekeepers)*
Summer 2017	Special Topic Seminar*	Location and date to be announced*
August 7-10, 2017	National Conference***	Washington, D.C.

\*\*Evening of NATP Essential 1040 Seminar      \*\*\* = National Functions  
[www.minatp.org](http://www.minatp.org) (new website)



Please see flyers for further information!

## CHAPTER NOTES

- Elections for five (5) board members will be held at our Annual Meeting in May 2017. Our Nomination committee chair, Sherry Nelson, eagerly awaits your (or your own) nominations: [kandsnelson@aol.com](mailto:kandsnelson@aol.com)
- At our September 2 for 1 seminar we collected over \$250.00 for the Food Bank of Michigan.
- The upcoming Last Chance seminar will include full details on the new due dates for W-2 and 1099 forms, as well as preparer due diligence and anticipated **Federal** refund delays for refundable child tax credit and EITC.
- About 16 Board and other members attended our annual Michigan Treasury Roundtable in September. New information was incorporated into our Purely Michigan Tax seminars and will be part of the Last Chance Michigan portion.
- Let your Board know how you like, or dislike, exclusive online access of your Chapter newsletter. Email, or write, Byron Kuxhaus, Newsletter chair, at [boktax@wowway.com](mailto:boktax@wowway.com), mail at PO Box 1970, Royal Oak, MI 48068, or by phone (or brief text to) 248-552-9729.